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**Natural resources and environment statistics: London Group on Environmental Accounting**

## Report of the London Group on Environmental Accounting

### Note by the Secretary-General

1. The Secretary-General has the honour to transmit to the Statistical Commission the report of the London Group on Environmental Accounting, which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its thirty-first session.[1]

**Points for discussion**

2. The Commission may wish to review the revision process for the System of integrated Environmental and Economic Accounting (SEEA-2000).

*Notes*

[1] *Official Records of the Economic and Social Council, 2000, Supplement No. 4* (E/2000/24), para. 1.

* E/CN.3/2001/1

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# Annex

## Report of the London Group on Environmental Accounting

## I. Introduction

1. In 1993 the Statistics Division of the Department of Economic and Social Affairs, United Nations Secretariat, published *Integrated Environmental and Economic Accounting* (commonly referred to as the "SEEA", from an earlier title) as an interim handbook. In 1997, the Statistical Commission requested the London Group on Environmental Accounting to undertake a revision of the interim handbook. The purpose of the present report is to provide the Statistical Commission with an update on progress made during the past 12 months.

## II. Management of the revision process

2. The SEEA revision process is managed by a team comprising the London Group Coordinating Committee, the individual coordinators for each chapter, and the SEEA editor (Anne Harrison, Organisation for Economic Cooperation and Development (OECD)).

3. The international agencies that are expected jointly to publish the SEEA-2000 are Eurostat, OECD, the United Nations and the World Bank.

4. The current and former chapter structure of the SEEA-2000 is presented in the table below.

Table
**Chapter structure of the SEEA-2000**

| *New number* | *New title (suggested)* | *Relation to existing chapters* |
|---|---|---|
| I | Introduction to SEEA-2000 | 1 |
| II | An overview of the accounting structure | 1B |
| III | Physical flow accounts | 3A |
| IV | Integrating physical and monetary flow accounts | 3B |
| V | Environmental protection and resource management accounts | 4 |
| VI | Asset accounts in physical and monetary terms | All theoretical parts of 2A and 2B |
| VII | Specific resource accounts | Resource examples from 2A and 2B. Minerals, forests, fish, land, water |
| VIII | Valuing degradation | 5 |
| IX | Applications and policy uses | 6 |

## III. Progress on the consultation and communication strategy

5. The public consultation process, as outlined in the last report to the Statistical Commission, has been followed in its broad outlines, if not in every detail. Although some delays were met in placing draft chapters on the London Group web site[a] for public comment, all the draft chapters have now been made available there and in international meetings. The comment that has been received — while not considerable — has proved useful in editing and further developing the revised SEEA. Details of the public consultation process are given below.

### Placing draft chapters on the London Group web site

6. Chapters 1, 2, 3 and 4 were posted on the Web on 1 May 2000, in time for the first round of public comment (June 2000). Substantive work was also done on chapter 5. However, because of the controversial

nature of the topic, the Coordinating Committee decided that further discussion was needed. A revised version of chapter 2, plus a first draft version of chapter 5, were made available on the web site in mid-August, in time for discussion at the meeting of the International Association for Research in Income and Wealth (IARIW) in Krakow at the end of August. Chapter 6 was placed on the web site at the end of November.

### Informing the public of the consultation process

7. A letter outlining the full public consultation process was widely distributed by the London Group secretariat in May. Recipients of the letter included governmental agencies, academics and professionals with an interest in environmental accounting around the world.

### Public comment received via the web site

8. The Australian Bureau of Statistics acted as the focal point for receipt of public comments on the revised SEEA. To date, several sets of comments have been received from the public at large. The receipt has been duly acknowledged, and the comments have been given consideration in the editing of the manual.

### Comments received at the IARIW meeting

9. At the IARIW meeting in Krakow, Poland, at the end of August 2000, a full session was devoted to the SEEA revision. The session was chaired by Anne Harrison and included presentations on chapters 2, 3, 4 and 5, public versions of which were available in advance of the meeting. Responses were offered by six representatives of the London Group. The floor was then opened to questions from the audience, but despite the substantial attendance at the session, relatively few comments were made. They were, however, of good quality and were duly noted by the representatives of the London Group.

### Comments received through United Nations regional workshops

10. Two regional workshops, co-organized by the Statistics Division, were held for the purpose of discussing the SEEA revision during the summer and fall. The first was organized in South Africa, jointly with the Natural Resource Accounting in Southern Africa project (funded by the United States Agency for International Development Regional Center for Southern Africa) and the Resource Accounting Network for Eastern and Southern Africa (funded by the Swedish International Development Agency). The second workshop was organized in the Philippines jointly with UNDP and the National Statistical Coordination Board of the Philippines, as part of the United Nations project "Strengthening regional capacity for statistical development in South-east Asia". The revised SEEA was well received by the participants in both workshops. The need for a more practice-oriented handbook, providing guidance on implementation issues to countries with little or no experience on environmental accounting, emerged.

## IV. Progress in editing the text

11. The chapter coordinators continued to work on the draft until a meeting of the London Group Coordinating Committee in Washington, D.C., in April 2000. It was determined at that meeting that chapters 1-4 could be placed on the London Group web site for public comment, but considerable work remained on chapter 5.

12. Editing work began after the meeting and continued over the summer, although somewhat less progress than hoped for was made. Revised versions of chapters 2 and 5 were produced by mid-August, in time for discussion at the IARIW meeting. The revised chapters were placed on the London Group web site for public comment.

13. Work on drafting chapter 6 commenced during the summer. A first version was produced in the early fall and placed on the London Group web site at the end of November.

14. The Coordinating Committee and chapter coordinators met again to discuss the state of draft chapters 1, 2, 3, 4, 5 and 6 in mid-November at the offices of the Statistics Division. It was agreed that

there remained a number of outstanding structural and content issues to be addressed before the document could be presented to the full London Group for final approval. They involved moving from the six chapters originally planned to nine chapters — partly by dividing previously long chapters, partly by adding new material. It was agreed that editing would continue at a rapid pace until mid-December with the objective of producing a draft of sufficient completeness and quality to serve as the basis for discussion by the full London Group and the Statistical Commission.

## V. Next London Group meeting

15. The London Group had planned to meet in full session in Voorburg, Netherlands, in mid-October 2000. As editing of the chapters progressed over the spring and summer, it became clear that the editing task was larger than originally anticipated. Moreover, reaching agreement on the more controversial aspects of the SEEA — in particular with respect to chapter 5 — proved (and continues to prove) challenging. By the end of August, it had become apparent that the draft chapters were not sufficiently advanced to form the basis of a fruitful full meeting of the London Group in November. At the suggestion of Statistics Netherlands, the London Group Coordinating Committee decided to postpone the Voorburg meeting so as to allow time for completion of the draft chapters to a state suitable for a full meeting. Currently, the full London Group meeting (which will include representatives from developing countries whose participation will be funded by the Statistics Division) is provisionally set for mid-February 2001. A final decision on the date of the meeting will be taken by the Coordinating Committee in mid-December on the basis of the quality of the chapters available at that time (see sect. III). If the meeting goes ahead in February, a report on the outcome will be made in the London Group's oral report to the Statistical Commission in March 2001.

*Notes*

[1] http://ww2.statcan.ca/citygrp/london/london.htm